



**CLARK COUNTY FINANCIAL CONDITION
CLARK COUNTY**

SINGLE AUDIT

JANUARY 1, 1999 - DECEMBER 31, 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

CLARK COUNTY, OHIO

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REPORT OF INDEPENDENT ACCOUNTANTS

Clark County
Board of County Commissioners
County Auditor
County Treasurer
Clark County Administration Building
50 East Columbia Street, P.O. Box 2639
Springfield, Ohio 45501

We have audited the accompanying general-purpose financial statements of Clark County, (the County) as of and for the year ended December 31, 1999. These general-purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit. We did not audit the financial statements of TAC Industries or The Housing Connection of Clark County, Inc., the County's only discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the component units, is based on the report of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of The Housing Connection of Clark County, Inc. were not audited by the other auditors in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the report of other auditors, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Clark County, as of December 31, 1999, and the results of its operations and cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 22, 2000 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Clark County
Board of County Commissioners
County Auditor
County Treasurer
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Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the County, taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

JIM PETRO
Auditor of State

August 22, 2000

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CLARK COUNTY, OHIO

Combined Balance Sheet - All Fund Types, Account Groups and Discretely Presented Component Units

As of December 31, 1999

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service
Assets:						
Equity in Pooled Cash and Cash Equivalents	\$ 7,451,543	11,504,654	46,518	4,915,335	939,126	146,717
Cash and Cash Equivalents in Segregated Accounts	0	392,535	0	0	366,696	0
Cash and Cash Equivalents with Fiscal and Escrow Agents	0	0	366	93,398	42,343	0
Investments in Segregated Accounts	0	0	0	0	0	0
Net receivables:						
Taxes	0	0	0	0	0	0
Permissive Sales Tax	945,066	0	0	0	0	0
Accounts	156,821	285,098	0	0	583,147	0
Special Assessments	0	0	0	0	0	0
Accrued Interest	281,431	3,076	0	0	0	0
Taxes to be Collected for Other Governments	0	0	0	0	0	0
Due from Other Funds	2,711,927	10,533,174	0	0	0	0
Due from Other Governments	32,623	1,030,944	0	0	0	0
Materials and Supplies Inventory	165,102	197,384	0	0	91,563	0
Prepaid Items	72,896	117,007	0	0	6,288	0
Unamortized Bond Issue Costs	0	0	0	0	39,287	0
Workers' Compensation Deposit	0	0	0	0	0	0
Earnest Money Deposit	0	0	0	0	0	0
Fixed Assets	0	0	0	0	20,534,895	0
Other Debits:						
Amount Available in Debt Service Fund for Retirement of General Obligation Bonds	0	0	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0	0	0
Total Assets and Other Debits	\$ 11,817,409	24,063,872	46,884	5,008,733	22,603,345	146,717
Liabilities, Fund Equity and Other Credits:						
Liabilities:						
Accounts Payable	\$ 287,994	1,482,127	0	778,263	57,410	0
Contracts Payable	28,173	392,331	0	0	0	0
Accrued Wages and Benefits	422,337	1,300,308	0	0	24,843	0
Accrued Compensated Absences	68,009	15,173	0	0	296,591	0
Retainage Payable	0	0	0	93,398	42,343	0
Due to Other Funds	0	0	0	0	0	0
Due to Other Governments	308,275	957,441	0	0	136,317	0
Deferred Grant	0	0	0	0	0	0
Accrued and Withheld Taxes	0	0	0	0	0	0
Accrued Property Taxes	0	0	0	0	0	0
Security Deposits	0	0	0	0	0	0
Custodial Accounts	0	0	0	0	0	0
Deferred Revenue	2,711,927	10,696,474	0	0	0	0
Undistributed Monies	0	0	0	0	0	0
Matured Interest Payable	0	0	366	0	0	0
Accrued Interest Payable	0	0	0	0	54,192	0
Notes Payable	0	200,000	0	3,215,000	420,000	0
Claims Payable	0	0	0	0	0	40,983
Capital Leases Payable	0	0	0	0	0	0
Issue II Loans Payable	0	0	0	0	362,500	0
General Obligation Bonds Payable	0	0	0	0	4,365,900	0
Unamortized Charge - Refunding Issue	0	0	0	0	(131,048)	0
Total Liabilities	3,826,715	15,043,854	366	4,086,661	5,629,048	40,983
Fund Equity and Other Credits:						
Investment in General Fixed Assets	0	0	0	0	0	0
Contributed Capital	0	0	0	0	11,167,128	0
Retained Earnings - Unrestricted	0	0	0	0	5,807,169	105,734
Net Assets - Unrestricted	0	0	0	0	0	0
Fund Balance:						
Reserved for:						
Encumbrances	378,841	1,632,357	0	4,374,281	0	0
Inventory	165,102	197,384	0	0	0	0
Nonexpendable Trust Funds	0	0	0	0	0	0
Unreserved	7,446,751	7,190,277	46,518	(3,452,209)	0	0
Total Fund Equity and Other Credits	7,990,694	9,020,018	46,518	922,072	16,974,297	105,734
Total Liabilities, Fund Equity and Other Credits	\$ 11,817,409	24,063,872	46,884	5,008,733	22,603,345	146,717

See accompanying notes to the general purpose financial statements.

FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTALS	Component Units	TOTALS
	General Fixed Assets	General Long-Term Obligations	Primary Government (Memorandum Only)		Reporting Entity (Memorandum Only)
Trust and Agency					
10,980,444	0	0	35,984,337	0	35,984,337
1,469,386	0	0	2,228,617	843,493	3,072,110
0	0	0	136,107	0	136,107
0	0	0	0	359,300	359,300
13,072,855	0	0	13,072,855	0	13,072,855
0	0	0	945,066	0	945,066
3,094	0	0	1,028,160	274,701	1,302,861
1,644,845	0	0	1,644,845	0	1,644,845
768	0	0	285,275	0	285,275
65,866,473	0	0	65,866,473	0	65,866,473
2,726,831	0	0	15,971,932	0	15,971,932
1,633,847	0	0	2,697,414	0	2,697,414
363	0	0	454,412	43,095	497,507
0	0	0	196,191	22,764	218,955
0	0	0	39,287	0	39,287
0	0	0	0	1,000	1,000
0	0	0	0	75	75
0	47,665,335	0	68,200,230	1,102,254	69,302,484
0	0	46,518	46,518	0	46,518
0	0	14,807,574	14,807,574	0	14,807,574
<u>97,398,906</u>	<u>47,665,335</u>	<u>14,854,092</u>	<u>223,605,293</u>	<u>2,646,682</u>	<u>226,251,975</u>
1,334	0	0	2,607,128	90,413	2,697,541
390,327	0	0	810,831	0	810,831
1,558	0	0	1,749,046	40,959	1,790,005
793	0	4,224,096	4,604,662	0	4,604,662
0	0	0	135,741	0	135,741
15,971,932	0	0	15,971,932	0	15,971,932
69,815,443	0	2,822,468	74,039,944	0	74,039,944
0	0	0	0	298,625	298,625
0	0	0	0	9,149	9,149
0	0	0	0	413	413
0	0	0	0	7,430	7,430
0	0	0	0	17,839	17,839
0	0	0	13,408,401	38,673	13,447,074
11,049,285	0	0	11,049,285	0	11,049,285
0	0	0	366	0	366
0	0	0	54,192	0	54,192
0	0	0	3,835,000	203,356	4,038,356
0	0	0	40,983	0	40,983
0	0	32,528	32,528	0	32,528
0	0	0	362,500	0	362,500
0	0	7,775,000	12,140,900	0	12,140,900
0	0	0	(131,048)	0	(131,048)
<u>97,230,672</u>	<u>0</u>	<u>14,854,092</u>	<u>140,712,391</u>	<u>706,857</u>	<u>141,419,248</u>
0	47,665,335	0	47,665,335	0	47,665,335
0	0	0	11,167,128	0	11,167,128
0	0	0	5,912,903	0	5,912,903
0	0	0	0	1,939,825	1,939,825
0	0	0	0	0	0
0	0	0	6,385,479	0	6,385,479
0	0	0	362,486	0	362,486
74,787	0	0	74,787	0	74,787
<u>93,447</u>	<u>0</u>	<u>0</u>	<u>11,324,784</u>	<u>0</u>	<u>11,324,784</u>
<u>168,234</u>	<u>47,665,335</u>	<u>0</u>	<u>82,892,902</u>	<u>1,939,825</u>	<u>84,832,727</u>
<u>97,398,906</u>	<u>47,665,335</u>	<u>14,854,092</u>	<u>223,605,293</u>	<u>2,646,682</u>	<u>226,251,975</u>

CLARK COUNTY, OHIO

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds

For the Year Ended December 31, 1999

	GOVERNMENTAL FUND TYPES				FIDUCIARY	TOTALS
	General	Special Revenue	Debt Service	Capital Projects	FUND TYPES Expendable Trust	Primary Government (Memorandum Only)
Revenues:						
Taxes	\$ 2,852,293	12,784,131	0	0	0	15,636,424
Permissive sales taxes	11,386,760	0	0	0	0	11,386,760
Intergovernmental	4,875,395	36,113,987	0	1,464,918	0	42,454,300
Charges for services	3,598,618	4,781,489	0	0	0	8,380,107
Licenses and permits	129,847	0	0	0	0	129,847
Fees, fines and forfeitures	666,977	2,913,050	0	0	0	3,580,027
Special assessments	0	23,906	0	13,168	0	37,074
Investment income	2,098,688	21,431	0	0	0	2,120,119
Other revenue	222,538	2,349,918	547,652	116,000	965	3,237,073
Total revenues	25,831,116	58,987,912	547,652	1,594,086	965	86,961,731
Expenditures:						
Current:						
General Government:						
Legislative and Executive	2,884,690	1,753,051	0	0	0	4,637,741
Judicial	6,162,248	339,938	0	0	0	6,502,186
Public Safety	9,109,184	1,824,624	0	0	0	10,933,808
Public Works	3,425,504	5,859,812	0	30,493	0	9,315,809
Health	390,475	21,414,670	0	0	0	21,805,145
Human Services	409,229	27,542,310	0	0	0	27,951,539
Conservation and Recreation	519,121	1,075,333	0	0	0	1,594,454
Capital Outlay	0	0	0	3,877,891	0	3,877,891
Debt Service:						
Principal Retirement	0	0	475,000	0	0	475,000
Interest and Fiscal Charges	1,683	5,022	455,729	57,595	0	520,029
Total Expenditures	22,902,134	59,814,760	930,729	3,965,979	0	87,613,602
Excess (deficit) revenues over (under) expenditures	2,928,982	(826,848)	(383,077)	(2,371,893)	965	(651,871)
Other financing sources (uses):						
Sale of fixed assets	1,200	31,089	0	0	0	32,289
Operating transfers in	714,591	3,971,663	250,000	1,823,833	0	6,760,087
Operating transfers (out)	(3,474,373)	(2,960,492)	0	(325,222)	0	(6,760,087)
Total other financing sources (uses)	(2,758,582)	1,042,260	250,000	1,498,611	0	32,289
Excess (deficit) revenues and other sources over (under) expenditures and other (uses)	170,400	215,412	(133,077)	(873,282)	965	(619,582)
Fund balance, beginning of year, as restated	7,820,294	8,804,606	179,595	1,795,354	59,714	18,659,563
Fund balance, end of year	\$ 7,990,694	9,020,018	46,518	922,072	60,679	18,039,981

See accompanying notes to the general purpose financial statements.

CLARK COUNTY, OHIO

Combined Statement of Revenues, Expenditures and Changes in Fund Balances
- Budget and Actual (Budget Basis) - All Governmental Fund Types

For the Year Ended December 31, 1999

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	Budget	Actual	Variance Favorable/ (Unfavorable)	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenue:						
Taxes	\$ 3,201,813	2,852,293	(349,520)	13,776,915	12,784,129	(992,786)
Permissive Sales Tax	10,920,000	11,351,444	431,444	0	0	0
Intergovernmental	5,247,573	5,110,289	(137,284)	36,542,864	35,203,203	(1,339,661)
Charges for services	3,543,676	3,525,760	(17,916)	5,863,744	4,448,418	(1,415,326)
Licenses and Permits	45,500	129,847	84,347	0	0	0
Fees, Fines and Forfeitures	609,500	638,377	28,877	2,751,495	2,951,269	199,774
Special Assessments	0	0	0	21,525	23,905	2,380
Interest	1,900,850	2,050,172	149,322	16,000	20,563	4,563
Other	118,852	326,584	207,732	2,537,791	2,267,842	(269,949)
Total Revenues	25,587,764	25,984,766	397,002	61,510,334	57,699,329	(3,811,005)
Expenditures:						
Current:						
General Government:						
Legislative and Executive	4,027,476	3,155,136	872,340	2,279,009	1,756,565	522,444
Judicial	6,525,823	6,127,825	397,998	181,409	145,555	35,854
Public Safety	9,407,496	9,104,499	302,997	4,697,422	2,127,371	2,570,051
Public Works	4,047,655	3,650,681	396,974	7,948,006	7,275,273	672,733
Health	415,432	389,052	26,380	22,279,610	21,546,421	733,189
Human Services	479,203	435,058	44,145	28,968,457	26,645,765	2,322,692
Conservation and Recreation	532,348	513,548	18,800	418,001	378,207	39,794
Capital Outlay	0	0	0	0	0	0
Debt Service:						
Principal Retirement	0	0	0	300,000	300,000	0
Interest and Fiscal Charges	0	0	0	15,000	12,300	2,700
Total Expenditures	25,435,433	23,375,799	2,059,634	67,086,914	60,187,457	6,899,457
Excess (deficit) revenues over (under) expenditures	152,331	2,608,967	2,456,636	(5,576,580)	(2,488,128)	3,088,452
Other financing sources (uses):						
Proceeds of Notes	0	0	0	200,000	200,000	0
Sales of Fixed Assets	100	1,200	1,100	21,000	31,089	10,089
Advances - In	325,222	325,222	0	0	0	0
Operating Transfers - In	231,269	389,369	158,100	5,608,289	1,571,662	(4,036,627)
Advances - Out	0	0	0	0	0	0
Operating Transfers - Out	(3,911,710)	(3,749,597)	162,113	(567,192)	(560,491)	6,701
Total Other Financing Sources (Uses)	(3,355,119)	(3,033,806)	321,313	5,262,097	1,242,260	(4,019,837)
Excess (Deficit) Revenues and Other Sources Over (Under) Expenditures and Other (Us (3,202,788)		(424,839)	2,777,949	(314,483)	(1,245,868)	(931,385)
Fund Balances, Beginning of Year	6,663,145	6,663,145	0	6,780,662	6,780,662	0
Prior Year Encumbrances Appropriated	469,617	469,617	0	3,010,544	3,010,544	0
Fund balances, End of Year	\$ 3,929,974	6,707,923	2,777,949	9,476,723	8,545,338	(931,385)

See accompanying notes to the general purpose financial statements.

CLARK COUNTY, OHIO

Combined Statement of Revenues, Expenditures and Changes in Fund Balances
- Budget and Actual (Budget Basis) - All Governmental Fund Types

For the Year Ended December 31, 1999

	DEBT SERVICE FUNDS			CAPITAL PROJECTS FUNDS		
	Budget	Actual	Variance Favorable/ (Unfavorable)	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenue:						
Taxes	\$ 0	0	0	0	0	0
Permissive Sales Tax	0	0	0	0	0	0
Intergovernmental	0	0	0	6,089,999	1,286,859	(4,803,140)
Charges for services	0	0	0	0	0	0
Licenses and Permits	0	0	0	0	0	0
Fees, Fines and Forfeitures	0	0	0	0	0	0
Special Assessments	0	0	0	0	13,169	13,169
Interest	0	0	0	0	0	0
Other	562,565	604,071	41,506	133,627	249,627	116,000
Total Revenues	562,565	604,071	41,506	6,223,626	1,549,655	(4,673,971)
Expenditures:						
Current:						
General Government:						
Legislative and Executive	0	0	0	Le 0	0	0
Judicial	0	0	0	Ju 0	0	0
Public Safety	0	0	0	0	0	0
Public Works	0	0	0	0	0	0
Health	0	0	0	0	0	0
Human Services	0	0	0	0	0	0
Conservation and Recreation	0	0	0	0	0	0
Capital Outlay	0	0	0	11,881,465	8,342,415	3,539,050
Debt Service:						
Principal Retirement	3,201,600	2,110,000	1,091,600	Pr 2,140,000	2,140,000	0
Interest and Fiscal Charges	610,476	517,374	93,102	Ir 96,300	88,610	7,690
Total Expenditures	3,812,076	2,627,374	1,184,702	14,117,765	10,571,025	3,546,740
Excess (deficit) revenues over (under) expenditures	(3,249,511)	(2,023,303)	1,226,208	(7,894,139)	(9,021,370)	(1,127,231)
Other financing sources (uses):						
Proceeds of Notes	2,323,350	985,000	(1,338,350)	2,253,300	2,230,000	(23,300)
Sales of Fixed Assets	0	0	0	0	0	0
Advances - In	0	0	0	0	0	0
Operating Transfers - In	905,223	905,223	0	972,095	1,443,834	471,739
Advances - Out	0	0	0	(325,222)	(325,222)	0
Operating Transfers - Out	0	0	0	0	0	0
Total Other Financing Sources (Uses)	3,228,573	1,890,223	(1,338,350)	2,900,173	3,348,612	448,439
Excess (Deficit) Revenues and Other Sources Over (Under) Expenditures and Other (Us	(20,938)	(133,080)	(112,142)	(4,993,966)	(5,672,758)	(678,792)
Fund Balances, Beginning of Year	179,595	179,595	0	4,957,315	4,957,315	0
Prior Year Encumbrances Appropriated	3	3	0	485,627	485,627	0
Fund balances, End of Year	\$ 158,660	46,518	(112,142)	448,976	(229,816)	(678,792)

CLARK COUNTY, OHIO

Combined Statement of Revenues, Expenses and Changes in Fund
Equity - All Proprietary Fund Types and Nonexpendable Trust Funds

For the Year Ended December 31, 1999

	PROPRIETARY		FIDUCIARY	TOTALS
	FUND TYPES		FUND TYPE	Primary
	Enterprise	Internal Service	Nonexpendable Trust	Government (Memorandum Only)
Operating revenues:				
Charges for services	\$ 3,594,753	451,587	0	4,046,340
Interest	0	0	5,833	5,833
Other operating revenues	26,684	9,726	0	36,410
Total operating revenues	<u>3,621,437</u>	<u>461,313</u>	<u>5,833</u>	<u>4,088,583</u>
Operating expenses:				
Personnel services	1,411,335	0	0	1,411,335
Contractual services	1,044,971	126,814	0	1,171,785
Claims	0	335,475	0	335,475
Materials and supplies	525,398	0	0	525,398
Other expenses	211,785	0	4,552	216,337
Depreciation	635,466	0	0	635,466
Total operating expenses	<u>3,828,955</u>	<u>462,289</u>	<u>4,552</u>	<u>4,295,796</u>
Operating income (loss)	<u>(207,518)</u>	<u>(976)</u>	<u>1,281</u>	<u>(207,213)</u>
Nonoperating revenues (expenses):				
Interest expense and fiscal charges	<u>(280,774)</u>	<u>0</u>	<u>0</u>	<u>(280,774)</u>
Total nonoperating revenues (expenses)	<u>(280,774)</u>	<u>0</u>	<u>0</u>	<u>(280,774)</u>
Income before operating transfers	(488,292)	(976)	1,281	(487,987)
Operating transfers-in	658,246	0	0	658,246
Operating transfers-out	<u>(658,246)</u>	<u>0</u>	<u>0</u>	<u>(658,246)</u>
Net income (loss)	(488,292)	(976)	1,281	(487,987)
Retained earnings/fund balance, beginning of year	<u>6,295,461</u>	<u>106,710</u>	<u>106,274</u>	<u>6,508,445</u>
Retained earnings/fund balance, end of year	<u>\$ 5,807,169</u>	<u>105,734</u>	<u>107,555</u>	<u>6,020,458</u>

See accompanying notes to the general purpose financial statements.

CLARK COUNTY, OHIO

Combined Statement of Cash Flows -
All Proprietary Fund Types and Nonexpendable Trust Funds
For the Year Ended December 31, 1999

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	TOTALS
	Enterprise	Internal Service	Nonexpendable Trust	Primary Government (Memorandum Only)
Increase (decrease) in cash and cash equivalents:				
Cash flows from operating revenues:				
Cash received from customers	\$ 3,979,801	448,740	0	4,428,541
Cash paid for employees salaries and benefits	(1,201,103)	0	0	(1,201,103)
Cash paid to suppliers	(1,672,248)	(68,794)	(4,333)	(1,745,375)
Cash paid for claims and charges	0	(380,764)	0	(380,764)
Other operating revenues	27,194	9,726	0	36,920
Other operating expenses	(165,366)	0	0	(165,366)
Net cash provided by (used for) operating activities	<u>968,278</u>	<u>8,908</u>	<u>(4,333)</u>	<u>972,853</u>
Cash flows for noncapital financing activities:				
Operating transfers-in	658,246	0	0	658,246
Operating transfers-(out)	(658,246)	0	0	(658,246)
Net cash provided by (used for) noncapital financing activities noncapital financing activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash flows from capital and related financing activities:				
Proceeds from notes	420,000	0	0	420,000
Interest paid on general obligation notes	(252,498)	0	0	(252,498)
Principal paid on general obligation notes	(480,000)	0	0	(480,000)
Principal paid on Issue II loans	(25,000)	0	0	(25,000)
Principal paid on general obligation bonds	(241,200)	0	0	(241,200)
Net cash used for capital and related financing activities	<u>(578,698)</u>	<u>0</u>	<u>0</u>	<u>(578,698)</u>
Cash flows from investing activities:				
Interest	<u>0</u>	<u>0</u>	<u>5,716</u>	<u>5,716</u>
Net increase (decrease) in cash and cash equivalents	389,580	8,908	1,383	399,871
Cash and cash equivalents, beginning of year	<u>958,585</u>	<u>137,809</u>	<u>105,842</u>	<u>1,202,236</u>
Cash and cash equivalents, end of year	<u>\$ 1,348,165</u>	<u>146,717</u>	<u>107,225</u>	<u>1,602,107</u>

See accompanying notes to the general purpose financial statements.

CLARK COUNTY, OHIO

Combined Statement of Cash Flows -
All Proprietary Fund Types and Nonexpendable Trust Funds
For the Year Ended December 31, 1999
(Continued)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	TOTALS
	Enterprise	Internal Service	Nonexpendable Trust	Primary Government (Memorandum Only)
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	\$ (207,518)	(976)	1,281	(207,213)
Adjustment to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Depreciation	635,466	0	0	635,466
Interest reported as operating income	0	0	(5,833)	(5,833)
Changes in assets and liabilities:				
Decrease in accounts receivable	292,995	0	0	292,995
Decrease in due from other funds	91,632	0	0	91,632
Increase in materials and supplies inventory	(6,118)	0	0	(6,118)
Decrease in prepaid items	1,265	0	0	1,265
Increase (decrease) in accounts payable	28,311	0	219	28,530
Increase in accrued wages and benefits	9,152	0	0	9,152
Increase in compensated absences payable	204,924	0	0	204,924
Increase in retainage payable	931	0	0	931
Decrease in due to other funds	(8,654)	0	0	(8,654)
Decrease in due to other governments	(74,108)	0	0	(74,108)
Decrease in claims payable	0	9,884	0	9,884
Net cash provided by (used for) operating activities	\$ 968,278	8,908	(4,333)	972,853

CLARK COUNTY, OHIO

Statement of Activities and Changes in Net Assets
Discretely Presented Component Unit

For the Year Ended December 31, 1999

	TAC <u>Industries, Inc.</u>
Operating Revenues:	
Sales	\$ 1,957,221
Interest	41,427
Contributions	6,450
In-Kind	<u>91,094</u>
Total Operating Revenues	<u>2,096,192</u>
Functional Expenses:	
Program services	1,487,431
Management and general	183,862
In-Kind	91,094
Realized Loss on Investments	395
Loss on Disposal of Fixed Assets	250
Unrealized Loss on Investments	<u>28,497</u>
Total functional expenses	<u>1,791,529</u>
Increase in net assets	304,663
Net assets, beginning of year	<u>1,334,951</u>
Net assets, end of year	<u>\$ 1,639,614</u>

See accompanying notes to the general purpose financial statements.

CLARK COUNTY, OHIO

Statement of Cash Flows
Discretely Presented Component Unit

For the Year Ended December 31, 1999

	TAC <u>Industries, Inc.</u>
Increase in Net Assets	\$ 304,663
Adjustments to reconcile increase in net net assets to cash provided by operations:	
Depreciation	113,330
Realized loss on investments	395
Unrealized loss on investments	28,497
Loss on Disposal of Fixed Assets	250
Effects of changes on operating assets and liabilities:	
Accounts receivable	(51,446)
Inventory	443
Prepaid expenses	2,631
Accounts payable	19,548
Accrued and withheld taxes	(6,830)
Accrued rent	(1,763)
Accrued wages	6,689
Custodial accounts	<u>9,446</u>
Net cash provided by operations	<u>425,853</u>
Cash flows from investing activities:	
Purchases of property and equipment	(91,609)
Proceeds from sale of property and equipment	824
Net purchases of investments	<u>(13,504)</u>
Net cash used by investing activities	<u>(104,289)</u>
Net (decrease) in cash	321,564
Cash, beginning of year	<u>501,543</u>
Cash, end of year	<u>\$ 823,107</u>
Supplemental disclosures:	
Interest	<u>\$ 122</u>

See accompanying notes to the general purpose financial statements.

CLARK COUNTY, OHIO

Statement of Activities and Changes in Net Assets
Discretely Presented Component Unit

For the Year Ended December 31, 1999

	Housing Connection <u>of Clark County Inc</u>
Revenues and Support:	
Revenue - Program	\$ 77,247
Grant	27,473
Donated salaries and benefits	27,563
Property tax remibursement	0
Interest income	<u>370</u>
Total revenue and support	<u>132,653</u>
Functional Expenses:	
Program services	69,692
Management and general	<u>17,897</u>
Total functional expenses	<u>87,589</u>
Increase in net assets	45,064
Net assets, beginning of year	<u>255,147</u>
Net assets, end of year	<u>\$ 300,211</u>

See accompanying notes to the general purpose financial statements.

CLARK COUNTY, OHIO

Statement of Cash Flows
Discretely Presented Component Unit

For the Year Ended December 31, 1999

	Housing Connection <u>of Clark County Inc</u>
Excess of support and revenue over expenses	\$ 45,064
Adjustments to reconcile to net cash from operations:	
Depreciation	23,487
(Increase) in receivables	(4,253)
(Increase) in prepaid insurance	(343)
Decrease in work in progress	35,296
(Decrease) in accrued property taxes	(1,126)
(Decrease) in deferred revenue	1,406
Increase in deferred grant	<u>1,656</u>
Net cash provided by operations	<u>101,187</u>
Cash flows from investing activities:	
Purchase of land, houses and equipment	(115,891)
Net increase from certificate of deposit	<u>9,630</u>
Net cash used by investing activities	<u>(106,261)</u>
Cash flows from financing activities:	
Repayment of long term debt	(28,902)
Proceeds from long term debt	<u>32,697</u>
Net cash provided by investing activities	<u>3,795</u>
Net (decrease) in cash	(1,279)
Cash, beginning of year	<u>21,665</u>
Cash, end of year	<u>\$ 20,386</u>
Supplemental schedule of cash flows information: Disclosures:	
Cash paid during the period for:	
Interest	<u>\$ 12,540</u>

See accompanying notes to the general purpose financial statements.

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CLARK COUNTY, OHIO

Notes to the General Purpose Financial Statements December 31, 1999

1. Reporting Entity

Clark County, Ohio (The County), was established in 1818. The County is governed by a Board of three commissioners elected by the voters of the County. Other officials elected by the voters of the County that manage various segments of the County's operations are the Auditor, Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, three Common Pleas Court Judges, a Probate Court Judge, a Court of Appeals Judge, and a Juvenile Court Judge. Although these elected officials manage the internal operations of their respective departments, the County Commissioners authorize expenditures as well as serve as the budgeting and taxing authority, contracting body and the chief administrators of public services for the entire County. The County utilizes an appointed County Administrator who serves as administrative head of the County pursuant to Ohio Rev. Code 305.28 and 305.30.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the County are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the County. For Clark County, this includes the Children's Services Board, the Board of Mental Retardation and Developmental Disabilities (MRDD), the Human Services Department, the Clark County Solid Waste Management Board, the Clark County Emergency Management Agency and all departments and activities that are directly operated by the elected County officials.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the County in that the County approves the organization's budget, the levying of its taxes or the issuance of its debt. Clark County has two component units included in its reporting entity.

Discretely Presented Component Units:

The component unit column on the combined balance sheet identifies the financial data of the County's component units: the Housing Connection of Clark County and TAC Industries, Inc. They are reported separately to emphasize that they are legally separate from the County.

Housing Connection of Clark County:

The Housing Connection of Clark County is a legally separate, not-for-profit corporation. The organization is governed by a board of five to nine members who are elected from the voting members of the organization. The voting members of the organization consists of one individual from the Clark County Board of MRDD and one individual from The Arc of Clark County, a not-for-profit corporation. The organization provides affordable housing in Clark County for occupancy by persons with mental retardation and other developmental disabilities. The Clark County Board of MRDD provides staff wages and benefits as well as office space for the organization. The Housing Connection of Clark County is reflected as a component unit of Clark County because of the fiscal dependence of the organization on the County. The Housing Connection of Clark County operates on a fiscal year ending December 31. Separately issued financial statements can be obtained from the Housing Connection of Clark County located at 2527 Kenton Street, Springfield, Ohio, 45502.

CLARK COUNTY, OHIO

Notes to the General Purpose Financial Statements December 31, 1999 (Continued)

1. Reporting Entity (Continued)

TAC Industries, Inc.:

TAC Industries, Inc. is a legally separate, not-for-profit corporation, served by a self-appointing board of trustees. The workshop, under contractual agreement with the Clark County Board of Mental Retardation and Developmental Disabilities, provides sheltered employment for mentally retarded or handicapped individuals in Clark County. The Clark County Board of MRDD provides the workshop with personnel necessary for the operation of the habilitation services to the clients, facilities (land and buildings) for operations of the center, supplies that pertain to training programs, maintenance and repair of the buildings along with reasonable utilities, and competent, professional staff to supervise and train clients of TAC Industries, Inc. The workshop is presented as a component unit of Clark County because it would be misleading to exclude it due to the financial support the workshop receives from the County. TAC Industries, Inc. operates on a fiscal year ending December 31. Separately issued financial statements can be obtained from TAC Industries, Inc., located at 110 W. Leffel Lane, Springfield, Ohio, 45502.

The County is associated with eight organizations which are defined as a joint venture, jointly governed organizations and as related organizations. These organizations include the Eastern Miami Valley Alcohol, Drug and Mental Health Board, the Tecumseh Consortium, the Tecumseh Consortium Private Industry Council, the West Central Ohio Port Authority, the Springfield Metropolitan Housing Authority, the West Central Community Correction Facility, the Clark County Public Library and the Park District, respectively. These organizations are presented in Notes 23, 24, and 25 to the general-purpose financial statements.

2. Summary of Significant Accounting Policies

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles (GAAP) for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources generally applicable to the primary government. The County also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989 to its proprietary activities, provided they do not conflict with or contradict GASB pronouncements.

A. Fund Accounting:

The County uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain County functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

For financial statement presentation purposes, the various funds of the County are grouped into the following generic fund types under the broad fund categories governmental, proprietary, and fiduciary.

CLARK COUNTY, OHIO

Notes to the General Purpose Financial Statements
December 31, 1999
(Continued)

2. Summary of Significant Accounting Policies (Continued)

A. Fund Accounting:

Governmental Fund Types:

Governmental funds are those through which most governmental functions are financed. The acquisition, use and balances of the County's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds and trust funds) are accounted for through governmental funds. The following are the County's governmental fund types:

General Fund. This fund is the operating fund of the County and is used to account for all financial resources of the County except those required to be accounted for in another fund. The general fund balance is available to the County for any purpose provided it is expended-or transferred according to the general laws of Ohio.

Social Revenue Funds. These funds are used to account for the proceeds of specific revenue sources (other than amounts relating to major capital projects or expendable trusts)-that are legally restricted to expenditure for specified purposes.

Debt Service Funds. These funds are used to account for the accumulation of financial resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects Funds. These funds are used to account for financial resources used for the acquisition or construction of major capital facilities (other than those financed-by-proprietary funds or trust funds).

Proprietary Fund Types:

Proprietary funds are used to account for the County's ongoing activities, which are similar to those found in the private sector. The following are the County's proprietary fund types:

Enterprise Funds. These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Fund. This fund is used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the County, or to other governmental units, on a cost-reimbursement basis.

Fiduciary Fund Types:

Fiduciary funds are used to account for assets the County holds in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The following are the County's fiduciary fund types:

Expendable Trust Funds. These funds are used to account for resources, including both principal and interest, which must be expended according to the provision of a trust agreement. Expendable trust funds are accounted for in essentially the same manner as governmental funds.

CLARK COUNTY, OHIO

Notes to the General Purpose Financial Statements
December 31, 1999
(Continued)

2. Summary of Significant Accounting Policies (Continued)

A. Fund Accounting:(Continued)

Nonexpendable Trust Funds. These funds are used to account for trust principal, which may not be expended. Only interest earned on the principal may be used for trust operations. Nonexpendable trust funds are accounted for in essentially the same manner as proprietary funds.

Agency Funds. These funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Account Groups:

To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group. This accounts for all fixed assets of the County, other than those fixed assets accounted for in the proprietary or trust funds.

General Long-Term Obligations Account Group. This accounts for all unmatured general long-term obligations of the County, except that which is accounted for in the proprietary or trust funds.

B. Measurement Focus and Basis of Accounting:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present Increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The modified accrual basis of accounting is followed for the governmental, expendable trust and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current year or soon enough thereafter to be used to pay liabilities of the current year. The available period for the County is thirty-one days after year-end.

CLARK COUNTY, OHIO

**Notes to the General Purpose Financial Statements
December 31, 1999
(Continued)**

2. Summary of Significant Accounting Policies (Continued)

B. Measurement Focus and Basis of Accounting: (Continued)

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: investment earnings, permissive sales and use tax (see Note 8), federal and state grants and entitlements, charges for services and fines and forfeitures. Major revenue sources not susceptible to accrual include licenses and permits, which are not considered measurable until received.

The County reports deferred revenues on its combined balance sheet. Deferred revenues arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Special assessments are recorded as deferred revenue because they do not meet the availability criteria. Property taxes measurable as of December 31, 1999, and delinquent property taxes, whose availability is indeterminable and which are intended to finance 1999 operations, have also been recorded as deferred revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Principal and interest on general long-term obligations are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year and the costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period employees earn them. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

The accrual basis of accounting is utilized for reporting purposes by the proprietary and nonexpendable trust funds. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred. Unbilled service charges receivable are recognized as revenue at year-end.

C. Budgetary Process:

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated.

Budgetary information for the MRDD Trust and Children's Trust Expendable Trust Funds and the Dental Internal Service Fund are not reported because they are not included in the entity for which the "appropriated budget" is adopted and does not maintain separate budgetary records.

CLARK COUNTY, OHIO

**Notes to the General Purpose Financial Statements
December 31, 1999
(Continued)**

2. Summary of Significant Accounting Policies (Continued)

C. Budgetary Process: (Continued)

Tax Budget:

A budget of estimated revenues and expenditures is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates.

Estimated Resources:

The County Budget Commission reviews estimated revenues and determine if the budget substantiates a need to levy all or part of previously authorized taxes. The Commission certifies its actions to the County by September 1. As part of this certification, the County receives the official certificate of estimated resources, which states the estimated fund balance and projected revenue of each fund. Prior to December 31, the County must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate may be amended further during the year if the County Auditor determines, and the Budget Commission agrees, that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 1999.

Appropriations:

A temporary appropriation resolution to control expenditures may be passed on or around January 1 of each year for the period January 1 to March 31. An annual appropriation resolution must be passed by April 1 of each year for the period January 1 to December 31. The appropriation resolution may be amended during the year, as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified.

Several supplemental appropriation resolutions were legally enacted by the County Commissioners during the year. The budget figures that appear in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

Budgeted Level of Expenditures:

Administrative control is maintained through the establishment of detailed line-item budgets. Appropriated funds may not be expended for purposes other than those designated in the appropriation resolution without authority from the Commissioners. Expenditures/expenses plus encumbrances may not legally exceed appropriations 'at the level of appropriation. Commissioners appropriations are made to fund department and object level (i.e., General Fund Commissioners' salaries, supplies, equipment, contract repairs, travel expenses, maintenance, other expenses, etc.) The allocation of appropriations among departments and objects within a fund may be modified during the year only by a resolution of the Commissioners.

CLARK COUNTY, OHIO

**Notes to the General Purpose Financial Statements
December 31, 1999
(Continued)**

2. Summary of Significant Accounting Policies (Continued)

C. Budgetary Process: (Continued)

Encumbrances:

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are encumbered and recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at year-end are reported as reservations of fund balances for subsequent-year expenditures for governmental funds and expendable trust funds and reported in the notes to the financial statements for proprietary funds.

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding calendar year and is not reappropriated.

D. Cash and Cash Equivalents:

To improve cash management, cash received by the County is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the County's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the combined balance sheet.

Cash and cash equivalents that are held separately within departments of the County and not held by the County Treasurer are recorded on the balance sheet as "Cash and Cash Equivalents in Segregated Accounts."

Cash and cash equivalents that are held separately by a trustee or fiscal agent and not managed by the County Treasurer are recorded on the balance sheet as "Cash and Cash Equivalents with Fiscal Agents."

During fiscal year 1999, investments were limited to government securities, certificates of deposit and STAR Ohio.

Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposit are reported at cost.

The County has invested funds in the State Treasury Assets Reserve of Ohio (STAR Ohio) during fiscal year 1999. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 1999.

Following Ohio statutes, the County has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 1999 amounted to \$2,098,688. The special revenue and nonexpendable trust funds also earned interest in the amounts of \$21,431 and \$5,833, respectively.

CLARK COUNTY, OHIO

Notes to the General Purpose Financial Statements
December 31, 1999
(Continued)

2. Summary of Significant Accounting Policies (Continued)

D. Cash and Cash Equivalents: (Continued)

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the County are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

E. Receivables and Payables:

Receivables to be recorded on the County's financial statements are recorded to the extent that the amounts are determined material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation and collectibility.

Using this criterion, the County has elected not to record child support arrearage within the special revenue and agency fund types and Court receivables within the agency fund type. These amounts, while potentially significant, are not considered measurable and because collections are often significantly in arrears, the County is unable to determine a reasonable value.

F. Inventory at Supplies:

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental fund types when purchased and as expenses in the proprietary fund types when used. Reported supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available expendable financial resources even though it is a component of net current assets.

G. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond December 31, 1999, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

H. Interfund Receivables and Payables:

Receivables and payables resulting from transactions between funds for services provided or goods received and amounts collected and to be distributed to other County funds by an agency fund are classified as "Due From Other Funds" or "Due to Other Funds" on the balance sheet.

I. Fixed Assets:

Fixed asset values initially were determined at December 31, 1987, assigning original acquisition costs when such information was available. In cases where information supporting original costs was not available, estimated historical costs were developed by indexing estimated current costs back to the estimated year of acquisition. Donated fixed assets are capitalized at estimated fair market value on the date donated.

CLARK COUNTY, OHIO

Notes to the General Purpose Financial Statements
December 31, 1999
(Continued)

2. Summary of Significant Accounting Policies (Continued)

I. Fixed Assets:

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements that extend the useful life or increase the capacity or operating efficiency of the asset are capitalized at cost.

General Fixed Assets:

General fixed assets (fixed assets used in governmental fund type operations) are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group at historical cost or estimated historical cost. Assets in the general fixed assets account group are not depreciated.

Public domain (infrastructure) general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are not capitalized or reported, as these assets are immovable and of value only to the County.

Enterprise Fund Fixed Assets:

Property, plant, and equipment reflected in the enterprise funds are stated at historical cost (or estimated historical cost) and are updated for the cost of additions and retirements during the year. Depreciation has been computed on a straight-line basis over the following estimated useful lives:

<u>Description</u>	<u>Primary Government</u>
Buildings and Plants	45 years
Land and Building Improvements	20 years
Equipment, Furniture and Fixtures	6-30 years
Vehicles	6-30 years
Water and Sewer Lines	65 years

Capitalization of Interest:

The County's policy is to capitalize net interest on governmental and proprietary fund construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax-exempt borrowing used to finance the project and the interest earned from temporary investment of debt proceeds. Capitalized interest on proprietary fund construction is amortized on a straight-line basis over the estimated useful life of the asset. For 1999, interest costs incurred on construction projects in proprietary funds were not material.

J. Compensated Absences:

The County follows the provision of GASB Statement No. 16, "Accounting for Compensated Absences". Vacation benefits are accrued as a liability as the benefits are earned if the employees rights to receive compensation are attributable to services already rendered and it is probable that the County will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued using the vesting method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments.

CLARK COUNTY, OHIO

**Notes to the General Purpose Financial Statements
December 31, 1999
(Continued)**

2. Summary of Significant Accounting Policies (Continued)

J. Compensated Absences: (Continued)

County employees earn vacation and sick leave at varying rates depending on length of service and departmental policy. All accumulated, unused vacation time is paid upon separation if the employee has at least one year of service with the County. Upon retirement, unused sick leave is paid for one-fourth of the first thirty days of total sick leave accumulated.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available financial resources. These amounts are recorded in the account "Compensated Absences Payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

K. Intergovernmental Revenues:

For governmental funds, intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursement basis, are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Grants, entitlements or shared revenues received for proprietary fund operating purposes are recognized as non-operating revenues in the accounting period-in which they are earned and become measurable. Such resources restricted for the construction of capital assets are recorded as contributed capital.

L. Accrued and Long-Term Liabilities:

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgements, compensated absences and contractually required pension contributions are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current expendable available financial resources. Payments made more than thirty-one days after year-end are generally considered not to have been paid with current available financial resources. Bonds, capital leases and long-term loans are recognized as a liability of the general long-term obligations account group until due.

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.

M. Contributed Capital:

Contributed capital represents donations by private sources, resources from other funds, grants restricted for capital construction, and assets whose construction was financed by special assessments. These assets are recorded at their fair market value on the date contributed and are not subject to repayment. Depreciation on those assets acquired or constructed with capital grants is closed to retained earnings at year-end.

Prior to 1988, the County had not prepared financial statements in accordance with generally accepted accounting principles. Therefore, the exact amount of contributed capital pertaining to years prior to 1988 cannot be determined. Consequently, only those amounts that have been able to be identified specifically have been classified as contributed capital in the accompanying combined financial statements. All other fund equity amounts pertaining to the proprietary funds have been classified as retained earnings.

CLARK COUNTY, OHIO

**Notes to the General Purpose Financial Statements
December 31, 1999
(Continued)**

2. Summary of Significant Accounting Policies (Continued)

N. Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

O. Reservations of Fund Balance:

The County records reservations for portions of fund balance which are legally segregated for specific future use or which do not represent available, expendable financial resources and therefore, are not available for expenditure. Undesignated fund balance indicates that portion of fund equity that is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, inventory, and contributions to the nonexpendable trust funds that must be kept intact.

P. Interfund Transactions:

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Q. Total Columns on General Purpose Financial Statements:

Total columns on the general purpose financial statements are captioned "Totals (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

When the title of a statement indicates that component units are included, two total columns are presented. The first is captioned "Primary Government" to indicate that only those activities that comprise the County's legal entity have been included. The second is captioned "Reporting Entity" and includes the activity and operations of the County's legally separate discretely presented component units (See Note 1). The total column on statements which do not include the component units have no additional caption.

3. Change in Accounting Estimate and Restatement of Prior Year Balances

For 1999, the County has changed the manner in which the liability for sick leave is calculated. The County has previously used the "termination method" of computing the accrual for sick leave benefits and has changed to the "vesting method". Both methods are acceptable under the provisions of GASB Statement No. 16, Accounting for Compensated Absences.

A restatement of cash and cash equivalents in the special revenue and capital projects funds was due to the reclassification of Ditch Construction Fund cash balance that was recorded in the special revenue fund in 1998.

CLARK COUNTY, OHIO

**Notes to the General Purpose Financial Statements
December 31, 1999
(Continued)**

3. Change in Accounting Estimate and Restatement of Prior Year Balances (Continued)

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>
Fund balance as previously stated	\$8,864,864	1,735,096
Restatement of cash and cash equivalents	<u>(60,258)</u>	<u>60,258</u>
Restated balances as of January 1, 1999	<u>\$8,804,606</u>	<u>1,795,354</u>

4. Budgetary Basis of Accounting

While reporting financial position, results of operations and changes in fund balance/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual - All Governmental Fund Types and the Combined Statement of Revenues, Expenses and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual - All Enterprise Funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year-end encumbrances are treated as expenditures/expenses (budget basis) rather than as a reservation of fund balance for governmental fund-types (GAAP basis). Material encumbrances are disclosed in the notes for proprietary fund types (GAAP basis).
4. Proceeds from and principal payments on short-term note obligations are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
5. State statute requires short-term note debt to be repaid from the debt service fund (budget basis) as opposed to the fund that received the proceeds (GAAP basis). Debt service fund resources used to pay both principal and interest have been allocated accordingly.
6. Revenues and expenditures were not presented for non-budgeted funds (budget basis) but were recorded on the operating statement (GAAP basis).

CLARK COUNTY, OHIO

**Notes to the General Purpose Financial Statements
December 31, 1999
(Continued)**

4. Budgetary Basis of Accounting (Continued)

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis are as follows:

Excess of Revenues and Other Financing Sources
Over (Under) Expenditures and Other Financing Uses
All Governmental Fund Types and Expendable Trust Funds

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>
GAAP basis	\$170,400	215,412	(133,077)	(873,282)	965
Revenue accruals	153,650	(1,288,583)	56,419	(44,431)	-
Expenditure accruals	269,953	4,171,316	(1,696,645)	(1,459,455)	-
Principal retirement	-	-	-	-	-
Note proceeds	-	200,000	985,000	2,230,000	-
Advances – in	325,222	-	-	-	-
Operating transfers – in	(325,222)	(2,400,001)	655,223	(379,999)	-
Operating transfers – out	(275,224)	2,400,001	-	-	-
Non-budgeted fund activity	-	-	-	-	(965)
Encumbrances	<u>(743,618)</u>	<u>(4,544,013)</u>	<u>-</u>	<u>(5,145,591)</u>	<u>-</u>
Budget basis	<u><u>\$(424,839)</u></u>	<u><u>(1,245,868)</u></u>	<u><u>(133,080)</u></u>	<u><u>(5,672,758)</u></u>	<u><u>-</u></u>

Net Income (Loss)/Excess of Revenues
Over (Under) Expenses
Proprietary Fund Types and Nonexpendable Trust Funds

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Nonexpendable Trust</u>
GAAP basis	\$(488,292)	(976)	1,281
Revenue accruals	337,084	-	(117)
Expenditure accruals	154,773	-	219
Depreciation	635,466	-	-
Debt Retirement	(717,924)	-	-
Note proceeds	420,000	-	-
Non-budgeted fund activity	-	976	-
Encumbrances	<u>(118,309)</u>	<u>-</u>	<u>-</u>
Budget basis	<u><u>\$ 222,798</u></u>	<u><u>-</u></u>	<u><u>1,383</u></u>

CLARK COUNTY, OHIO

Notes to the General Purpose Financial Statements
December 31, 1999
(Continued)

5. Accountability and Compliance

A. Accountability:

The following funds have fund equity deficits as of December 31, 1999:

	Deficit Fund Equity
<u>Special Revenue Fund:</u>	
CDBG	\$ 97,675
<u>Capital Projects Funds:</u>	
Permanent Improvement	548,061
MRDD Capital Projects	1,309,251
County Buildings	350,000

The deficit in the special revenue fund is the result of the application of GAAP. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

The deficits in the capital projects funds arose from the requirement to report bond anticipation-note proceeds as liabilities in the fund, which received the note proceeds. The deficits will be alleviated when the bonds are issued or when the notes are paid.

6. Deposits and Investments

Monies held by the County are classified by State Statute into two categories. Active monies means an amount of public monies determined to be necessary to meet current demand upon the County treasury. Active monies must be maintained either as cash in the County treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the County Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public-monies deposited with the institution.

Inactive monies may be deposited or invested in the following securities:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or security issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market-value of the securities subject to the repurchase agreement must exceed the principal value-of-the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

CLARK COUNTY, OHIO

Notes to the General Purpose Financial Statements
December 31, 1999
(Continued)

6. Deposits and Investments (Continued)

4. Bonds and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivisions are located wholly or partly within the County;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurers investment pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible-institution agrees to exchange either securities described in division (1) or (2) or cash or both securities and cash, equal value for equal value;
9. High grade commercial paper in an amount not to exceed five percent of the County's total average portfolio; and;
10. Bankers acceptances for a period not to exceed 270 days and in amount not to exceed ten percent of the County's total average portfolio.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the County and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements."

Deposits

At year-end, the carrying amount of the County's deposits was \$4,856,804 and the bank balance was \$9,905,357. Of the bank balance:

1. \$1,314,165 was covered by federal depository insurance;
2. \$900,000 was covered by surety bonds and are considered to be insured; and
3. \$7,691,192 was uninsured and uncollateralized.

CLARK COUNTY, OHIO

**Notes to the General Purpose Financial Statements
December 31, 1999
(Continued)**

6. Deposits and Investments (Continued)

Investments

During 1999, the County continued to diversify its investment portfolio to gain a higher rate of return while still maintaining liquidity and minimizing risk. Investments include a U.S. Treasury Mutual Fund, U.S. Treasury Notes, Federal Home Loan Bank (FHLB) notes and mortgage backed securities issued by FNMA and FHLMC. The FHLB notes have interest rates that vary directly with the Constant Maturity Treasury (CMT), an index of Treasury securities published by the Federal Reserve Board. The notes are issued with a coupon floor and a coupon cap, which establishes a range of possible interest rates for the security regardless of the change in market rates. The security was selected for purchase because the minimum interest rate, when coupled with the discount at the time of purchase, yields a rate of return that exceeds what was available from more conventional securities and that yield will increase if market interest rates increase.

A participation certificate (PC) is a mortgage pass-through security. It represents an interest in a pool of mortgage loans. Holders of the PC receive principal and interest payments as the principal and interest payments on the underlying mortgages are made. For the PCs purchased by the County, FNMA and FHLMC guarantee the timely payments of the mortgage principal and interest payments. The average life of a PC is a measure of when mortgage principal payments are actually received and will vary depending on how quickly the mortgages are paid. If the mortgages in the pool are prepaid because the owners sell their homes, or if interest rates decline and mortgages are prepaid through refinancing, the average life of the PC will shorten. If interest rates increase, the average life of the PC will increase. PCs are fixed income securities; that means that their prices vary as market rates change. PCs are therefore purchased on the open market at a premium or discount. Changes in the average life caused by prepayments will affect yield depending on whether the security was purchased at a premium or discount.

The County analyzes PCs and searching for estimated maturities that satisfy the County's liquidity standards and yields that will remain above what is otherwise available even as interest rates fluctuate.

GASB Statement No. 3 classifies investments into three categories. Category 1 includes investments that are insured or registered or for which the securities are held-by the County or the County's agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the County's name. STAR Ohio, an investment pool operated by the Ohio State Treasurer, is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

	Category 3	Carrying Value	Market Value
U.S. Treasury Notes	\$ 1,994,182	1,994,182	1,987,498
Government National Mortgage Association	1,457,927	1,457,927	1,456,350
Federal Farm Credit Bank Notes	1,496,433	1,496,433	1,495,405
Federal Home Loan Bank Notes	8,987,629	8,987,629	8,894,460
Federal National Mortgage Association (FNMA) Participation Certificates	9,471,851	9,471,851	9,410,525
Federal Home Loan Mortgage Corporation (FHLMC) Participation Certificates	2,027,213	2,027,213	2,014,003
Student Loan Marketing Association (Sallie Mae)	500,000	500,000	495,500
Star Ohio	-	7,557,022	7,557,022
	<u>\$25,935,235</u>	<u>33,492,257</u>	<u>33,310,763</u>

CLARK COUNTY, OHIO

**Notes to the General Purpose Financial Statements
December 31, 1999
(Continued)**

6. Deposits and Investments (Continued)

Investments (Continued)

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between the classifications of cash and investments on the general-purpose financial statements and the classifications per GASB Statement No. 3 is as follows:

	<u>Cash & Cash Equivalents/ Deposits</u>	<u>Investments</u>
GASB Statement 9	\$38,349,061	-
Less : Investments:		
U.S. Treasury Notes	(1,994,182)	1,994,182
Government National Mortgage Association	(1,457,927)	1,457,927
Federal Farm Credit Bank Notes	(1,496,433)	1,496,433
Federal National Mortgage Association (FNMA) Participation Certificates	(9,471,851)	9,471,851
Federal Home Loan Bank Notes (FHLB)	(8,987,629)	8,987,629
Federal Home Loan Mortgage Company (FHLMC) Participation Certificate	(2,027,213)	2,027,213
Student Loan Marketing Association (Sallie Mae)	(500,000)	500,000
STAR Ohio	<u>(7,557,022)</u>	<u>7,557,022</u>
GASB Statement 3	<u>\$ 4,856,804</u>	<u>33,492,257</u>

7. Property Taxes

Property taxes include amounts levied against all real, public utility and tangible personal property (other than public utility) located in the County. Property tax revenue received during 1999 for real and public utility property taxes is for 1998 taxes and property tax revenue received during 1999 for tangible personal property (other than public utility) is for 1999 taxes.

The 1999 real property taxes are levied after October 1, 1999 on the assessed values as of January 1, 1999, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 1999 real property taxes are collected in and intended to finance 2000.

Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at true value (normally 88 percent of cost). The 1999 public utility property taxes became a lien December 31, 1998, are levied after October 1, 1999, and are collected in 2000 with real property taxes.

The 1999 tangible personal property taxes are levied after October 1, 1998, on the value as of December 31, 1998. Collections are made in 1999. Tangible personal property assessments are 25 percent of assessed valuations.

The full tax rate for all County operations for the tax year 1999, was \$13.00 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 1999 property tax receipts were based are as follows:

Real Property and Public Utility	\$1,561,453,610
Tangible Personal Property	229,964,535
Public Utility Tangible Personal Property	<u>125,683,310</u>
Total Assessed Value	<u>\$1,917,101,455</u>

CLARK COUNTY, OHIO

Notes to the General Purpose Financial Statements
December 31, 1999
(Continued)

7. Property Taxes (Continued)

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Tangible personal property taxes are paid by multi-county taxpayers are due September 20. Single County taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The County Treasurer collects property tax on behalf of all taxing districts within the County. Receivables for these taxes have been recorded as "Taxes To Be Collected For Other Governments" on the balance sheet. The County Auditor periodically remits to itself its share of the taxes collected. The County records receipt of these taxes in various funds. The County's share of taxes receivable have been recorded as "Taxes Receivable" in the agency fund. Taxes receivable for individual funds have been recorded as "Due from Other Funds" in the various funds and "Due to Other Funds" in the agency fund.

Accrued property taxes receivable represent delinquent taxes outstanding and real, tangible personal, and public utility taxes, which were measurable and unpaid as of December 31, 1999.

Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31 and are not intended to finance 1999 operations. The receivable and the portion of the tax levies prepaid by year-end into the funds are therefore offset by a credit to deferred revenue.

8. Permissive Sales and Use Tax

In 1972 and 1983, the County Commissioners by resolution imposed a total 1 percent tax on all retail sales, except sales of motor vehicles, made in the County, and on the storage, use, or consumption in the County of tangible personal property, including automobiles, not subject to the sales tax. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the State Auditor the amount of the tax to be returned to the County. The Tax Commissioners certification must be made within forty-five days after the end of each month. The State Auditor then has five days in which to draw the warrant payable to the County.

Proceeds of the tax are credited entirely to the General Fund. Amounts that are measurable and to be received within the available period are accrued as revenue. Permissive sales tax revenue received in 1999 amounted to \$11,386,760.

9. Receivables

Receivables at December 31, 1999 consisted of taxes, interest, special assessments, accounts (billings for user charged services, including unbilled utility services), and intergovernmental receivables arising from grants, entitlements and shared revenues. All receivables are considered collectible in full. A summary of intergovernmental receivables follows:

<u>General Fund</u>	<u>Amount</u>
Juvenile Court Grants	\$ 8,196
Indigent Defense Reimbursement	<u>24,427</u>
Total General Fund	<u>32,623</u>

CLARK COUNTY, OHIO

**Notes to the General Purpose Financial Statements
December 31, 1999
(Continued)**

9. Receivables (Continued)

<u>Special Revenue Funds</u>	
Permissive Motor Vehicle License Tax	74,310
Auto License Tax	125,208
Mental Retardation and Developmental Disabilities Grants	559,158
Community Development Block Grant	163,300
Medication Pilot Project	30,989
Recycle Ohio	100
Felony Delinquent Care and Custody	49,879
LEAA Project	<u>28,000</u>
Total Special Revenue Funds	<u>1,030,944</u>
 <u>Agency Funds</u>	
Auto License Tax	106,523
Local Government Revenue Assistance	86,765
Local Government	393,917
Law Library	7,784
Library and Local Government Support	425,897
EMV Board	551,447
TB Coordinating Grant	21,998
Board of Elections	70
Dental Grant	1,504
Immunization Grant	790
TANF Grant	16,562
TCC Federal Funds	14,043
TCC State Funds	<u>6,547</u>
Total Agency Funds	<u>1,633,847</u>
 Total All Funds	 <u>\$2,697,414</u>

10. Fixed Assets

A summary of the enterprise funds' fixed assets at December 31, 1999, follows:

Land	\$ 681,429
Buildings	7,493,222
Improvements	669,749
Machinery and equipment	4,204,269
Sewer and water lines	<u>18,902,358</u>
Total fixed assets	31,951,027
Less accumulated depreciation	<u>(11,416,132)</u>
Net book value	<u>\$20,534,895</u>

A summary of the changes in general fixed assets during 1999 follows:

	Balance <u>12/31/98</u>	Additions	Retired	Balance <u>12/31/99</u>
Land	3,994,700	65,000	1,443,657	2,616,043
Building	26,628,907	-	-	26,628,907
Improvements	4,247,620	1,282,255	-	5,529,875
Machinery and equipment	9,541,832	1,138,743	452,737	10,227,838
Construction in progress	<u>1,170,185</u>	<u>1,927,135</u>	<u>434,648</u>	<u>2,662,672</u>
Total fixed assets	<u>45,583,244</u>	<u>4,413,133</u>	<u>2,331,042</u>	<u>47,665,335</u>

CLARK COUNTY, OHIO

**Notes to the General Purpose Financial Statements
December 31, 1999
(Continued)**

11. Risk Management

A. Self-Insurance Program:

The County continues to manage its dental insurance on a self-insured basis. Managed Care of America (MCA), a third party administrator, processes the claims for the County. The County Commissioners have established a premium for dental insurance. The County pays the dental premium for employees covered under negotiated agreements. Employees not covered under negotiated agreements are responsible for their dental premiums. Premiums are transferred from the individual funds where employees' salaries are paid to the Dental Internal Service fund. The County is billed their proportionate share of actual billings processed by MCA in the prior month. These payments are accounted for in the Dental Insurance Internal Service fund. The County also pays a fixed cost to MCA. Under the insurance program, the Internal Service fund provides coverage for up to a maximum of \$1,000 per individual per year. The County purchased commercial insurance for claims in excess of coverage provided by MCA. Settled claims have not exceeded this commercial coverage during the last three years. There has been no significant reduction in coverage from the prior year.

Claims payable is based on requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements-Indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount can be reasonably estimated. Claims payable at December 31, 1999 is estimated by the third party administrator to be \$40,983.

The changes in claims liability for 1999 and 1998:

<u>Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year End</u>
1998	\$69,365	272,706	310,972	31,099
1999	31,099	390,648	380,764	40,983

B. Other Insurance Coverage:

The County is exposed to various risks of loss related to torts, theft of or damage to, and destruction of assets, errors or omissions, injuries to employees and natural disasters. During 1999, the County contracted with County Risk Sharing Authority (CORA) for liability, property and crime insurance. CORA was formed as an Ohio non-profit corporation for the purpose of establishing the CORA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORA. The County pays all elected officials' bonds by statute.

The County has elected to take advantage of the retrospective rating plan for workers' compensation offered by the State of Ohio. This plan allows the County to pay a fraction of the premium it would pay as an experience-rated risk.

Retrospective rating constitutes a step closer to self-insurance. In the retrospective rating plan, the County agrees to assume a portion of the risk in return for a possible reduction in premiums. The greater the percentage of the risk the County assumes, the greater the potential reduction in premiums. If the County's loss experience is better than predicted by the experience-rating system, its premium obligation will be less than what it would have paid under experience rating. If its experience is worse than predicted, its premium obligation will be more than it would have been assessed under experience rating, limited to the maximum premium.

CLARK COUNTY, OHIO

Notes to the General Purpose Financial Statements
December 31, 1999
(Continued)

11. Risk Management (Continued)

B. Other Insurance Coverage: (Continued)

The County has assumed the risk for individual claims up to a maximum of \$250,000. The County has also agreed to pay all claims up to a maximum of 150% of what the County would have paid had the County remained an experience-rated risk. Claims exceeding these limits will be paid by the State. Each year, the County pays the State a "minimum premium" for retaining the risk of having to pay claims, which exceed the County's maximum claim limits. For each year the County elects the retrospective rating plan for workers' compensation, liability is attached for ten years.

All claims processing is done by the State. The State initially pays all claims and then bills the County. During 1999, the State paid \$356,396 claims on behalf of the County. The claims liability of \$1,551,087 is reported in both enterprise fund for sewer and water and in the general long-term obligations account group and represents the liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, based on an estimate provided by the Bureau of Workers' Compensation. Claims incurred during the year were \$400,377. The minimum premium and charges for administering the program are presented on the balance sheet as due to other governments.

12. Defined Benefit Retirement Plans

A. Public Employees Retirement System:

Public Employees Retirement System of Ohio (PERS) is a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rates are 8.5% for employees other than law enforcement. Law enforcement employees contribute 9% of covered salary. The 1999 employer contribution rate for local government employer units was 13.55% of covered payroll. The law enforcement employer rate was 16.70% of covered payroll. The County's required contributions to PERS for the years ended December 31, 1999, 1998, and 1997 were \$5,894,655, \$3,057,737, and \$3,430,146, respectively. The full amount has been contributed for 1998 and 1997. 75 percent has been contributed for 1999 with the remainder being reported as a liability within the general long-term obligations account group.

B. State Teachers Retirement System:

Certified teachers employed by the school for the Mental Retarded/Developmentally Disabled participate in the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides retirement and disability benefits, annual cost of living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand alone financial report that includes financial statements and required supplementary information for STRS. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

CLARK COUNTY, OHIO

Notes to the General Purpose Financial Statements
December 31, 1999
(Continued)

12. Defined Benefit Retirement Plans (Continued)

B. State Teachers Retirement System: (Continued)

Plan members are required to contribute 9.3 percent of their annual covered salary and that County is required to contribute 14 percent. Through June 30, 1999, 10.5 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The County's contributions for pension obligations to STRS for the years ended December 31, 1999, 1998, and 1997 were \$84,366, \$72,815, and \$68,933, respectively. The full amount has been contributed for 1998 and 1997. 97 percent has been contributed for 1999 with the remainder being reported as a fund liability.

13. Postemployment Benefits

A. Public Employees Retirement System:

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. For local government employer units the contribution rate was 13.55% of covered payroll; 4.2% was the portion that was used to fund health care for the year 1999. The law enforcement employer rate for 1999 was 16.70% and 4.2% was used to fund health care.

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to PERS. OPEB is financed through employer contributions and investment earnings there on. The contributions allocated to retiree health and Medicare, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely. Expenditures for OPEB during 1999 were \$523,599,349. As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were \$9,870,285,641. The number of benefit recipients eligible for OPEB at December 31, 1999 was 118,062.

During 1997, the Retirement Board adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1998, employer contributions, equal to 4.2% of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health care coverage.

B. State Teachers Retirement System:

State Teachers Retirement System of Ohio (STRS Ohio) provides comprehensive health care benefits to retirees and their dependents. Coverage includes hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Pursuant to the Revised Code (R.C.), the State Teachers Retirement Board (the board) has discretionary authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium.

CLARK COUNTY, OHIO

Notes to the General Purpose Financial Statements
December 31, 1999
(Continued)

13. Postemployment Benefits (Continued)

B. State Teachers Retirement System:

The R.C. grants authority to STRS Ohio to provide health care coverage to benefit recipients, spouses and dependents. By Ohio law, the cost of coverage paid from STRS Ohio funds shall be included in the employer contribution rate, currently 14% of covered payroll.

The Retirement Board allocates employer contributions equal to 2% of covered payroll to the Health Care Reserve Fund from which health care benefits are paid. However, for the fiscal year ended June 30, 1999, the board allocated employer contributions equal to 8% of covered payroll to the Health Care Reserve Fund. The balance in the Health Care Reserve Fund was 2.783% billion on June 30, 1999. The Health Care Serve Fund allocation for the year ended June 30, 2000 will be 8% of covered payroll.

For the year ended June 30, 1999, net health care costs paid by STRS Ohio were \$249,929,000. There were 95,796 eligible benefit recipients.

14. Other Employee Benefits

County employees may participate in the Ohio Public Employees Deferred Compensation Program. This plan is created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. The deferred pay and income earned on it is not subject to taxation until it is received by the employee. According to the plan, the deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

15. Capital Leases - Lessee Disclosure:

In prior years, the County has entered into capitalized leases. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments are reflected as debt service expenditures in the general-purpose financial statements for the governmental funds. Assets acquired by lease have been capitalized in the general fixed assets account group in the amount of \$228,120, which is equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded in the general long-term obligations account group. Principal payments in 1999 totaled \$24,225. Future minimum lease payments through 2002 are as follows:

<u>Year</u>	<u>GLTOG</u>
2000	\$15,202
2001	13,621
2002	7,060
Total minimum lease payment	35,883
Less: Amount representing interest	(3,355)
Total present value of minimum lease payments	<u>\$32,528</u>

CLARK COUNTY, OHIO

**Notes to the General Purpose Financial Statements
December 31, 1999
(Continued)**

16. Long-Term Debt

Changes in the County's long-term obligations during the year consisted of the following:

	<u>Rate</u>	<u>12/31/98</u>	<u>Issued</u>	<u>Retired</u>	<u>12/31/99</u>
<u>General Long Term Obligations:</u>					
<u>General Obligation Bonds:</u>					
Human Services Building					
Improvement	5.63-5.7%	\$2,485,000	\$-	\$115,000	\$2,370,000
Clark County Improvement	2.4-5.55%	3,485,000	-	275,000	3,210,000
Human Services/CSEA					
Building improvement	6.00%	<u>2,280,000</u>	<u>-</u>	<u>85,000</u>	<u>2,195,000</u>
Total general obligations bonds		<u>8,250,000</u>	<u>-</u>	<u>475,000</u>	<u>7,775,000</u>
<u>Other Long-Term Obligations:</u>					
Workers' compensation liability		1,463,362	38,090	-	1,501,452
Compensated absences		2,869,973	1,354,123	-	4,224,096
Due to other governments		1,254,122	1,321,016	1,254,122	1,321,016
Capital leases payable		<u>56,753</u>	<u>-</u>	<u>24,225</u>	<u>32,528</u>
Total other long-term obligations		<u>5,644,210</u>	<u>2,713,229</u>	<u>1,278,347</u>	<u>7,079,092</u>
Total general long-term obligations		<u>13,894,210</u>	<u>2,713,229</u>	<u>1,753,347</u>	<u>14,854,092</u>
<u>Enterprise Fund Obligations:</u>					
Limecrest sewer construction	5.00%	467,100	-	6,200	460,900
Southwest sewer construction	2.4-5.55%	1,425,000	-	120,000	1,305,000
Medway/Crystal Lakes Bond	2.4-5.55%	<u>2,715,000</u>	<u>-</u>	<u>115,000</u>	<u>2,600,000</u>
Total general obligation bonds		<u>4,607,100</u>	<u>-</u>	<u>241,200</u>	<u>4,365,900</u>
<u>Issue II Loans:</u>					
Southwest Treatment Plant		188,325	-	12,150	176,175
Southwest Treatment Plant II		<u>199,175</u>	<u>-</u>	<u>12,850</u>	<u>186,325</u>
Total Issue II Loans		<u>387,500</u>	<u>-</u>	<u>25,000</u>	<u>362,500</u>
<u>Other Long-Term Obligations:</u>					
Compensated absences		91,667	204,924	-	296,591
Due to other governments		35,548	34,284	35,548	34,284
Workers' compensation liability		<u>52,398</u>	<u>3,269</u>	<u>-</u>	<u>55,667</u>
Total Other Long-Term Obligations		<u>179,613</u>	<u>242,477</u>	<u>35,548</u>	<u>386,542</u>
Total Enterprise Fund Obligations		<u>5,174,213</u>	<u>242,477</u>	<u>301,748</u>	<u>5,114,942</u>
Total Long-Term Obligations		<u>\$19,068,423</u>	<u>\$2,955,706</u>	<u>\$2,055,095</u>	<u>\$19,969,034</u>

General Obligation Bonds:

All general obligation bonds are supported by the full faith and credit of the County. General obligation bonds presented as a liability in the general long-term obligations account group will be paid from a .1 mill unvoted property tax and rental charges to the County departments and other tenants who occupy the facilities.

Enterprise Debt:

The enterprise general obligation bonds and Issue II loans are supported by the revenues of the sewer and water enterprise funds.

CLARK COUNTY, OHIO

Notes to the General Purpose Financial Statements
December 31, 1999
(Continued)

16. Long-Term Debt (Continued)

Conduit Debt:

At year end, the County had issued 48 issues of industrial development revenue bonds (in the aggregate principal amount of \$78,505,000) for facilities used by private corporations or other entities, one issue of Multifamily Residential Rental Housing Facility Revenue Bonds for the Ohio Masonic Home in the amount of \$2,740,000 for the financing, constructing, installing and equipping of a multifamily residential rental housing facility and one issue of hospital facility revenue bonds for the Ohio Masonic Home in the amount of \$7,790,000 for the purpose of acquiring, constructing, installing and equipping of hospital facilities. The County also authorized one issue of Multifamily Housing Mortgage Revenue Bonds, Series 1998 for the Church of God Retirement Housing Project in the amount of \$1,150,000 for the financing, acquisition, construction and equipping of a multifamily residential rental housing facility. The County is not obligated in any way to pay debt service on those bonds from any of its funds.

The County entered an agreement with the Ohio Department of Transportation for a loan in the amount of \$2,020,000 through the State Infrastructure Bank. The loan is for the benefit of the Clark County-Springfield Transportation Coordinating Committee (TCC). TCC has assigned its allocation of federal aid transportation funds to repay the loan. The County would be liable for this debt in the event of default.

The County is not aware of and has not been notified of any condition of default under those bonds or the related financing documents.

The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed one percent of the total assessed valuation of the County. The Code further provides that the total voted and unvoted net debt of the County less the same exempt debt shall never exceed a sum equal to three percent of the first \$100,000,000 of the assessed valuation, plus one and one-half percent of such valuation in excess of \$100,000,000 and not in excess of \$300,000,000, plus two and one-half percent of such valuation in excess of \$300,000,000. The effects of the debt limitations described above at December 31, 1999 are an overall debt margin of \$38,384,352 and a limit on unvoted debt margin of \$11,771,742.

The following is a summary of the County's future annual debt service requirements for long-term obligations:

<u>General Long-Term Obligations</u>	<u>Total</u>
2000	\$ 923,033
2001	919,037
2002	928,390
2003	925,385
2004	920,663
2005-2009	4,197,477
2010-2014	1,877,475
2015	<u>212,000</u>
Total Principal and Interest	10,903,460
Less: Amount Representing Interest	<u>(3,128,460)</u>
Total Principal	<u>\$7,775,000</u>

CLARK COUNTY, OHIO

**Notes to the General Purpose Financial Statements
December 31, 1999
(Continued)**

16. Long-Term Debt (Continued)

Conduit Debt: (Continued)

<u>Enterprise Fund Obligations</u>	General Obligation <u>Bonds</u>	Issue II <u>Loans</u>	<u>Total</u>
2000	469,255	25,000	494,255
2001	473,910	25,000	498,910
2002	472,495	25,000	497,495
2003	474,980	25,000	499,980
2004	471,565	25,000	496,565
2005 - 2009	2,155,515	125,000	2,280,515
2010 - 2014	1,432,060	112,500	1,544,560
2015 - 2019	147,820	-	147,820
2020 - 2024	147,925	-	147,925
2025 - 2029	147,820	-	147,820
2030	<u>29,610</u>	-	<u>29,610</u>
Total principal and interest	6,422,955	362,500	6,785,455
Less amount representing interest	<u>(2,057,055)</u>	-	<u>(2,057,055)</u>
Total principal	<u>\$4,365,900</u>	<u>362,500</u>	<u>4,728,400</u>

17. Note Transactions

The notes being paid out of the special revenue funds, capital projects funds and enterprise funds are bond anticipation notes. All of the notes are backed by the full faith and credit of Clark County. Those notes pertaining to enterprise funds will be paid from revenues derived by the County from the operation of the sewer and water systems. The note liability is reflected in the fund which received the proceeds.

	Interest Rate	Outstanding 12/31/98	Issued	Retired	Outstanding 12/31/99
<u>General Fund:</u>					
Speedway Drive Improvement	3.90%	\$ 270,000	-	270,000	-
<u>Special Revenue Fund:</u>					
County Engineer Equipment	4.10%	300,000	200,000	300,000	200,000
<u>Capital Projects Funds:</u>					
Agriculture Building	4.20%	400,000	300,000	400,000	300,000
A.B. Graham Building	4.10%	100,000	50,000	100,000	50,000
Clark County Juvenile Center	4.10%	25,000	-	25,000	-
Juvenile Ct Computer Training	4.20%	40,000	20,000	40,000	20,000
Fairground Improvement Notes	4.10%	550,000	450,000	550,000	450,000
MRDD Vehicle Notes	4.20%	50,000	30,000	50,000	30,000
MRDD Combined Issue	4.15%	1,640,000	1,500,000	1,640,000	1,500,000
Court Perimeter Security	4.05%	250,000	165,000	250,000	165,000
Juvenile Center Bldg Improve	4.35%	-	250,000	-	250,000
Leffel Lane Widening	4.10%	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>
Total Capital Projects		<u>3,505,000</u>	<u>3,215,000</u>	<u>3,505,000</u>	<u>3,215,000</u>
<u>Enterprise Funds:</u>					
Dille Road Water Construction	4.10%	280,000	245,000	280,000	245,000
Crystal Lakes/Medway Sewer	4.10%	<u>200,000</u>	<u>175,000</u>	<u>200,000</u>	<u>175,000</u>
Total Enterprise Funds		<u>480,000</u>	<u>420,000</u>	<u>480,000</u>	<u>420,000</u>
Total Notes Payable		<u>\$4,555,000</u>	<u>3,835,000</u>	<u>4,555,000</u>	<u>3,835,000</u>

CLARK COUNTY, OHIO

**Notes to the General Purpose Financial Statements
December 31, 1999
(Continued)**

17. Note Transactions (Continued)

The notes being paid out of the special revenue, capital projects and enterprise funds are bond anticipation notes. The full faith and credit of Clark County back all of the notes. Those notes pertaining to enterprise funds will be paid from revenues derived by the County from the operation of the sewer and water systems. The note liability is reflected in the fund that received the proceeds.

18. Interfund Transactions

Interfund balances at December 31,1999, consist of the following individual fund receivables and payables:

Fund	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General	\$2,711,927	-
Special Revenue Funds:		
Childrens Home Levy	2,289,208	-
MRDD	7,461,742	-
Senior Citizens Levy	609,978	-
Ditch Maintenance	<u>172,246</u>	<u>-</u>
Total Special Revenue Funds	<u>10,533,174</u>	<u>-</u>
Agency:		
Undivided Tax Fund	-	15,971,932
Miami Conservancy District	79,777	-
Community Mental Health	<u>2,647,054</u>	<u>-</u>
Total Agency funds	<u>2,726,831</u>	<u>15,971,932</u>
Total All Funds	<u>\$15,971,932</u>	<u>\$15,971,932</u>

19. Contractual Commitments

The County has entered into various contracts for the construction and acquisition of capital assets. At December 31, 1999, the significant outstanding construction commitments are:

	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Balance 12/ 31/1999</u>
Heritage center construction	\$ 5,767,042	\$1,035,766	\$4,731,276
MR/DD Construction	700,000	506,287	193,713
Leffels Lane project	<u>238,510</u>	<u>70,600</u>	<u>167,910</u>
Totals	<u>\$6,705,552</u>	<u>\$1,612,653</u>	<u>\$5,092,899</u>

CLARK COUNTY, OHIO

**Notes to the General Purpose Financial Statements
December 31, 1999
(Continued)**

20. Segment Information for Enterprise Funds

The County maintains two enterprise funds that are intended to be self-supported through user fees charged for services provided to customers for sewer and water services. Financial segment information for the year ended December 31, 1999, is as follows:

	<u>Sewer</u>	<u>Water</u>	<u>Total</u>
Operating revenues	\$2,294,941	\$1,326,496	\$3,621,437
Operating expenses before depreciation	1,751,195	1,442,294	3,193,489
Depreciation expense	541,678	93,788	635,466
Operating income (loss)	2,068	(209,586)	(207,518)
Net (loss)	(268,825)	(219,467)	(488,292)
Additions to property, plant and equipment	-	-	-
Net working capital	948,869	468,598	1,417,467
Total assets	18,830,411	3,772,934	22,603,345
Long-term compensated absences	163,124	133,467	296,591
Long-term intergovernmental payable	74,974	61,343	136,317
General obligation bonds payable from revenue	4,365,000	-	4,365,900
Total equity	13,687,327	3,286,970	16,974,297
Encumbrances outstanding at December 31, 1999	89,577	28,731	118,308

21. The Housing Connection of Clark County, Inc.

A. Measurement Focus and Basis of Accounting:

The financial statements of The Housing Connection of Clark County have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

The accounts of the Organization are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. In accordance with SFAS No. 117, fund balances are classified on the statement of financial position as unrestricted, temporarily restricted, or permanently restricted net assets based on the absence or existence and type of donor-imposed restrictions.

B. Budgetary Basis of Accounting:

Budgetary information for the Housing Connection is not presented because it is not included in the entity for which the "appropriated budget" is adopted and does not maintain separate budgetary financial records.

C. Cash and Cash Equivalents:

For purposes of the statements of cash flows, cash and cash equivalents are considered to be all unrestricted highly liquid investments with maturities of 3 months or less at the time of acquisition.

CLARK COUNTY, OHIO

Notes to the General Purpose Financial Statements
December 31, 1999
(Continued)

21. The Housing Connection of Clark County, Inc. (Continued)

D. Grants:

The Housing Connection of Clark County receives Community Capital Assistance Funds for housing distributed by the Clark County Board of Mental Retardation and Developmental Disabilities which in turn receives the funds from the Ohio Department of Retardation and Developmental Disabilities. The grant is used to purchase single family dwellings for the occupancy of the disabled. The grant is to be forgiven over a fifteen-year period. During 1999, The Housing Connection of Clark County completed renovation of its property located at 1513-1515 Logan Street. In accordance with the 1988 Americans with Disabilities Act, a portion of the renovation costs were treated as a grant by the City of Springfield. The total grant was \$29,127. This grant is to be forgiven over a fifteen-year period. The Housing Connection of Clark County has received a total of \$439,285 in grant money, of which \$298,625 is deferred to later years.

E. Fixed Assets:

Property and equipment for the Housing Connection are stated at historical cost and are updated for the costs of additions and retirements during the year. Donated fixed assets have been recorded at the fair market value at the date of the gift. The assets for the Housing Connection of Clark County are depreciated on a straight-line basis using 10 to 27.5 year estimated useful lives.

A summary of the Housing Connection's fixed assets at December 31, 1999, follows:

Land	\$ 180,323
Buildings	554,392
Furniture and fixtures	<u>93,653</u>
Total fixed assets	828,368
Less accumulated depreciation	<u>96,004</u>
Net book value	<u>\$ 732,364</u>

F. Notes Payable:

The Housing Connection of Clark County has various mortgage notes payable requiring monthly installments. These mortgages payable have interest rates ranging from 8.0% to 8.5% and mature at various dates through the year 2012. Each respective location's land and house collateralize the mortgages. Aggregate principal payment requirements are as follows for the subsequent five years:

Year ending	2000	\$ 11,036
	2001	11,880
	2002	12,793
	2003	13,777
	2004 and beyond	153,870

Interest expense for the year ended December 31, 1999 was \$12,540.

CLARK COUNTY, OHIO

Notes to the General Purpose Financial Statements
December 31, 1999
(Continued)

22. TAC Industries, Inc.

A. Summary of Significant Accounting Policies:

Financial Statement Presentation:

TAC Industries, Inc. adopted Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Nonprofit Organizations. Under SFAS No. 117, TAC Industries is required to report, where applicable, information regarding its financial position and activities according to classes of net assets.

Method of Accounting

The financial statements have been prepared on the accrual basis.

Cash and Cash Equivalents

For purposes of the statement of cash flows, TAC considers amounts on hand and in demand deposits to be cash and cash equivalents.

Accounts Receivable, Trade

Consists of amounts due from customers for trade activities. No allowance for uncollectible accounts was set up as management deems all amounts to be collectible.

Inventory

Inventory is stated at cost, using the first-in, first-but (FIFO) method.

Property, Equipment and Depreciation

Property and equipment is recorded at cost upon purchase. Some property and equipment has been acquired through donations and was recorded at fair market value at the date-of the gift. From time to time, equipment owned by Clark County is presented to TAC Industries, Inc. for its exclusive use. The value of this equipment has not been recorded in the accounts of TAC Industries, Ind. Depreciation has been provided using the straight-line method over the estimated useful lives of the assets. A summary of the TAC Industries fixed assets at December 31, 1999, follows:

Building improvements	\$ 119,998
Equipment	830,098
Furniture and fixtures	72,397
Vehicles	<u>178,821</u>
Total fixed assets	1,201,314
Less accumulated depreciation	<u>831,424</u>
Net book value	<u>\$ 369,890</u>

Federal Income Taxes

TAC Industries Inc. is exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code.

CLARK COUNTY, OHIO

Notes to the General Purpose Financial Statements
December 31, 1999
(Continued)

22. TAC Industries, Inc. (Continued)

A. Summary of Significant Accounting Policies: (Continued)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

B. Investments:

Investments are recorded at market value at December 31, 1999 and consist of the following:

	<u>Cost</u>	<u>Market</u>
United States Government Funds	\$216,984	\$182,246
Federal mortgage-backed securities	134,283	124,353
	<u>\$351,267</u>	<u>\$306,599</u>

The market value for the United States Government Funds was calculated by Huntington Investment Company. Paine Webber, Inc calculated the market value for the mortgage-backed securities.

C. Lease:

TAC Industries, Inc. leases its facility from Clark County. The lease term is 15 years and began in August 1996.

Minimum future lease payments on the operating lease are as follows:

2000	\$ 73,216
2001	73,216
2002	73,216
2003	73,216
2004	73,216
Thereafter	<u>183,735</u>
	<u>\$549,815</u>

D. Related Party:

TAC has an ongoing relationship with the Clark County Board of Mental Retardation and Developmental Disabilities (Board). As part of that relationship, TAC reimburses the Board in an amount agreed upon by the two organizations for selected operating expenses incurred by TAC. The reimbursement agreement does not identify expense categories for which payment was made. Expenditures made by the Board are handled on an in-kind basis. The value of this in-kind support was calculated at \$91,094 for the year ended December 31, 1999.

F. Concentration of Credit Risk:

TAC provides services to businesses in Clark County and Southwestern Ohio. Financial instruments that potentially subject the Company to concentrations of credit risk are cash invested in local financial institutions and trade accounts receivable.

CLARK COUNTY, OHIO

Notes to the General Purpose Financial Statements December 31, 1999 (Continued)

22. TAC Industries. Inc. (Continued)

F. Concentration of Credit Risk: (Continued)

TAC places its cash in accounts with financial institutions that are insured up to \$100,000 by the Federal Deposit Insurance Corporation (FDIC). The Organization had uninsured bank balances of \$634,815 at December 31, 1999.

Credit risk with respect to trade receivables consists of reliance on businesses located in Clark County and Southwestern Ohio.

G. Subsequent Event:

Subsequent to December 31, 1999 but prior to the issuance of the financial statements, the Organization sold certain investments for a realized loss of \$50,821.

23. Joint Venture

Eastern Miami Valley Alcohol Drug Addiction and Mental Health Board - Clark County is a participant in the Eastern Miami Valley ADAMH, which is a joint county Alcohol, Drug Addiction and Mental Health Board. The organization was formed for the purpose of providing high quality and cost-effective alcohol and drug addiction and mental health services to the residents of Greene, Madison, and Clark Counties. The governing board consists of eighteen members, five of which are appointed by the Clark County Commissioners. The Clark County Auditor serves as the fiscal agent for the Board. Financial information can be obtained by writing Eastern Miami Valley ADAMH at 1055 E. High Street, Springfield, Ohio 45505.

24. Jointly Governed Organizations

Tecumseh Consortium - The Tecumseh Consortium was established under Section 167 of the Ohio Revised Code to provide programs to prepare youth and unskilled adults for entry into the labor force and to afford training to those economically disadvantaged individuals and other individuals facing serious barriers to employment. The consortium was established with Champaign, Clark, Greene, Madison, and Union Counties. The governing board for the consortium consists of one commissioner from each of the five counties listed and the president and vice-president of the Private Industry Council. Clark County is the fiscal officer for the governing body. The consortium establishes its own budget, and the County is not allowed to have debt or issue taxes on behalf of the Consortium. Funds for the operation are received through grant revenue from the State of Ohio. During 1999, Clark County did not contribute any money to Tecumseh Consortium.

Tecumseh Consortium Private Industry Council - The Tecumseh Consortium Private Industry Council, is a corporation consisting of representatives from the private and public sectors of Champaign, Clark, Greene, Madison, and Union counties appointed by the commissioners of each county. The Council makes recommendations to the Tecumseh Consortium with regard to planning, coordinating, monitoring and evaluation of the employment and training programs and services. Clark County cannot significantly influence the Council's operations, the board has sole budgetary authority, and the County is not legally or morally obligated for the Council's debt. Clark County does not have an ongoing financial interest. During 1999, Clark County did not contribute any money to the Private Industry Council.

CLARK COUNTY, OHIO

Notes to the General Purpose Financial Statements December 31, 1999 (Continued)

24. Jointly Governed Organizations (Continued)

West Central Ohio Port Authority - The West Central Ohio Port Authority was established under Section 4582.21 of the Ohio Revised Code. Under the Revised Code, the Port Authority is a legally separate entity. The Board of the Authority is comprised of seven members: 2 members from Champaign County, 3 from Clark County, and 2 from Fayette County. The members are appointed by the County Commissioners of each respective county. Clark County does not approve its budget, nor is it responsible for the Authority's debt. During 1999, the County did not contribute any money to the Authority.

Springfield Metropolitan Housing Authority - The Springfield Metropolitan Housing Authority was established under Section of 3735 of the Ohio Revised Code. The Board is comprised of five members: one appointed by the Clark County Probate Court, one appointed by the Clark County Court of Common Pleas, one appointed by the Clark County Commissioners, and two appointed by the City of Springfield Commissioners.

Clark County cannot significantly influence the Authority's operations, the board has sole budgetary authority, and the County is not legally or morally obligated for the Authority's debt. During 1999, Clark County did not contribute any money to the Springfield Metropolitan Housing Authority.

West Central Community Correction Facility - The West Central Community Correction Facility was established as a legally separate district under Section 2301.51 of the Ohio Revised Code to provide a district community-based correctional facility and program for the use of the member courts of common pleas. Member courts are from the counties of Clark, Champaign, Delaware, Logan, Madison, Marion, Morrow and Union. The Judicial Corrections Board is comprised of 11 judges, one each from the member counties and, based upon population, two from Clark, Delaware, and Marion County. Funds for the construction and operation are received through grant revenue from the State of Ohio. Clark County, having the largest population, serves as fiscal agent for the facility.

25. Related Organizations

Clark County Public Library - Clark County Public Library is a related organization. The County appoints the governing board of the Library; however, the County cannot influence the Library's operations nor does the Library represent a potential financial benefit or burden on the County. The County serves in a ministerial capacity as taxing authority for the Library. Once the Library Board determines to present a levy to the voters, including the determination of its rate and duration, the County must place the levy on the ballot. The Library may not issue debt. The Library determines its own budget. The Library received \$386,442 in tax revenue, and \$5,026,113 in library and local government money passed thru the County during 1999.

Park District - The Park District is a related organization. The three Park District Commissioners are appointed by the Probate Judge of the County, but the County's accountability does not extend beyond making the appointments. The District received \$79,913 in local government monies passed thru the County during 1999.

CLARK COUNTY, OHIO

**Notes to the General Purpose Financial Statements
December 31, 1999
(Continued)**

26. Contingent Liabilities

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, the County Commissioners believe such disallowances, if any, will be immaterial.

Several claims and lawsuits are pending against the County. In the opinion of the County Prosecuting Attorney, any potential liability would not have a material effect on the general-purpose financial statements.

27. Subsequent Events

On January 18, 2000, the County issued a \$75,000 current revenue note for the purpose of paying current expenses of the County. The interest rate on the note is 4.65% and will mature on December 28, 2000.

On January 21, 2000, the County issued a \$200,000 bond anticipation note for the purpose of paying costs of the completion of the County's Land Information System and the acquisition of ortho-digital air photos and appurtenant equipment for use on that system. The interest rate on the note is 4.95% and will mature on February 21, 2001.

On January 21, 2000, the County issued a \$65,000 bond anticipation note for the purpose of paying costs of constructing the Lucas Wilt Ditch project with all necessary appurtenances thereto. The interest rate on the note is 4.95% and will mature on February 21, 2001.

On January 21, 2000, the County issued a \$215,000 bond anticipation note for the purpose of paying costs of purchasing HVAC-chiller units for the County's Public Safety Building together with all necessary appurtenances thereto. The interest rate on the note is 4.95% and will mature on February 21, 2001.

On April 13, 2000, the County issued an \$800,000 bond anticipation note for the purpose of paying costs of reconstructing the roadway. The interest rate on the note is 4.75% and will mature on April 12, 2001.

On May 8, 2000, the County issued a \$1,810,000 public improvement note in the anticipation of the issuance of bonds and to retire, together with other funds available to the County, outstanding notes. The interest rate on the note is 4.75% and will mature on May 8, 2001.

On June 20, 2000, the County issued a \$1,280,000 note in the anticipation of the issuance of bonds and to retire, together with other funds available to the County, outstanding notes. The interest rate on the note is 5.20% and will mature on June 20, 2001.

Clark County, Ohio

Schedule of Federal Awards Expenditures
For the Year Ended December 31, 1999

Granting Agency Pass through entity Grant Name	Grant Number	CFDA	Disbursements	Non-Cash Disbursements
U.S. Department of Justice				
COPS More	97-CM-WX-0959	16.710	4,997	0
COPS Grant	95-CC-WX-0470	16.710	88,536	0
			93,533	0
Local Law Enforcement Block Grant	98-LB-VX-3969	16.592	215,000	0
Edward Byrne Memorial State and Local Enforcement Assistance	99-DGA-017142	16.579	79,219	0
Passed through Office of Criminal Justice:				
Violence Against Women Formula Grant	97-WF-VA5-8307	16.588	51,809	0
Violence Against Women Formula Grant	98-WF-VA2-8310	16.588	35,627	0
Total Violence Against Women Formula Grant			87,436	0
Edward Byrne Memorial State and Local Enforcement Assistance	97 DG-DO2-7160	16.579	7,691	0
Edward Byrne Memorial State and Local Enforcement Assistance	98 DG-FO2-7134	16.579	45,905	0
Edward Byrne Memorial State and Local Enforcement Assistance	98 DG-DO2-7160	16.579	32,351	0
Edward Byrne Memorial State and Local Enforcement Assistance	98 DG-DOS-7158	16.579	8,915	0
Total Edward Byrne Memorial State and Local Enforcement Assistance			94,862	0
Family Empowerment Grant	98-JJ-DP2-0561	16.546	7,240	0
Total Grants Passed through the Office of Criminal Justice:			189,538	0
Total U.S. Department of Justice:			<u>577,290</u>	<u>0</u>
Department of Housing and Urban Development				
Passed through the State of Ohio, Department of Development				
Small Cities Community Development Block Grant	BF-97-012-1	14.228	41,011	0
Small Cities Community Development Block Grant	BF-98-012-1	14.228	183,848	0
Total Department of Housing and Urban Development:			<u>224,859</u>	<u>0</u>
Department of Agriculture				
Passed through the Ohio Department of Education				
Nutrition Cluster:				
Food Distribution Program:				
Juvenile Treatment Center		10.550	0	178
Mueller Residential Center		10.550	0	2,125
Mental Retardation and Development Disabilities		10.550	0	607
			0	2,910
National School Breakfast Program				
Juvenile Treatment Center	069997-05-PU 99	10.553	9,116	0
Juvenile Treatment Center	069997-05-PU 00	10.553	8,221	0
Mueller Residential Center	070870-05-PU 99	10.553	921	0
Mueller Residential Center	070870-05-PU 00	10.553	413	0
Total National School Breakfast Program			18,671	0

Clark County, Ohio

Schedule of Federal Awards Expenditures
For the Year Ended December 31, 1999
(Continued)

Granting Agency Pass through entity Grant Name	Grant Number	CFDA	Disbursements	Non-Cash Disbursements
National School Lunch Program				
Juvenile Treatment Center	069997-03-PU 99	10.555	1,421	0
Juvenile Treatment Center	069997-03-PU 00	10.555	11,147	0
Juvenile Treatment Center	069997-04-PU 99	10.555	12,519	0
Juvenile Treatment Center	069997-04-PU 00	10.555	1,299	0
Mueller Residential Center	070870-03-PU 99	10.555	712	0
Mueller Residential Center	070870-03-PU 00	10.555	56	0
Mueller Residential Center	070870-04-PU 99	10.555	89	0
Mueller Residential Center	070870-04-PU 00	10.555	480	0
Mental Retardation and Development Disabilities	065907-03-PU 99	10.555	1,630	0
Mental Retardation and Development Disabilities	065907-03-PU 00	10.555	8,865	0
Total National School Lunch Program			38,218	0
Total Department of Agriculture - Nutrition Cluster			<u>56,889</u>	<u>2,910</u>
U.S. Department of Federal Emergency Management Passed through Ohio Department of Public Safety				
Emergency Management Assistance	-	83.534	23,996	0
U.S. Department of Education Passed through Ohio Department of Education				
Special Education Cluster				
Education Handicapped Title VI B	065904-6B 99P	84.027	16,280	0
Education Handicapped Title VI B	065904-6B 00P	84.027	22,587	0
Total Education Handicapped Act VI B			38,867	0
Special Education - Preschool Grants	065904-PG-S1 99P	84.173	9,100	0
Special Education - Preschool Grants	065904-PG-S1-2000P	84.173	13,766	0
Total Special Education - Preschool Grant			22,866	0
Total Special Education Cluster			61,733	0
Federal, State, and Local Partnerships for Education Improvement	065904-C2-S1-00	84.298	318	0
Total U.S. Department of Education:			<u>62,051</u>	<u>0</u>
U.S. Department of Health and Human Services Passed through Ohio Department of Mental Retardation and Developmental Disabilities				
Social Services Block Grant	FY 99	93.667	107,938	0
Social Services Block Grant	FY 00	93.667	41,876	0
Total Social Services Block Grant			149,814	0
Medical Assistance Program (Medicaid: Title XIX)	FY 00	93.778	2,242,839	0
Total U.S. Department of Health and Human Services:			<u>2,392,653</u>	<u>0</u>
Total Expenditures of Federal Awards for 1999:			<u>3,337,738</u>	<u>2,910</u>

See Accompanying Notes to the Schedule of Federal Awards Expenditures

CLARK COUNTY, OHIO

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES FISCAL YEAR ENDED DECEMBER 31, 1999

NOTE A -- SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the County's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B – SUBRECIPIENTS

The County passes-through certain Federal assistance received from the Ohio Department of Mental Health, the Ohio Department of Alcohol and Drug Addiction to other Eastern Miami Valley Alcohol, Drug Addiction and Mental Health Services Board of Clark, Greene, and Madison Counties. The federal funds are not included on the Schedule since Clark County acts as a pass-through entity.

As described in Note A, the County records expenditures of Federal awards to subrecipients when paid in cash.

The subrecipient agencies have certain compliance responsibilities related to administering these Federal Programs. Under Federal Circular A-133, the County is responsible for monitoring subrecipients to help assure that Federal awards are used for authorized purposes in compliance with laws, regulations and the provisions of contracts or grant agreements, and that performance goals are achieved.

NOTE C – NUTRITION CLUSTER

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with state grants. It is assumed the federal monies are expended first. At December 31, 1999, the County had no significant food commodities in inventory. This note applies only to the Juvenile Center, Mueller Center, and the Town and Country School.

NOTE D – MATCHING REQUIREMENTS

Certain Federal programs require that the County contribute non-Federal funds (matching funds) to support the Federally-funded programs. The County has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

Clark County
Board of County Commissioners
County Auditor
County Treasurer
Clark County Administration Building
50 East Columbia Street, P.O. Box 2639
Springfield, Ohio 45501

We have audited the financial statements of Clark County, (the County), as of and for the year ended December 31, 1999, and have issued our report thereon dated August 22, 2000. We did not audit the financial statements of TAC Industries or The Housing Connection of Clark County, Inc., the County's only discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and in our opinion, insofar as it relates to the amounts included for the component units, is based on the reports of the other auditors. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of The Housing Connection of Clark County, Inc. were not audited by the other auditors in accordance with *Government Auditing Standards* and accordingly this report does not extend to those component units.

Compliance

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed certain instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 1999-60312-001 and 1999-60312-002. We also noted certain other immaterial instances of noncompliance that we have reported to the management of the County in a separate letter dated August 22, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the County in a separate letter dated August 22, 1999.

This report is intended for the information and use of the audit committee, management, the Board of County Commissioners, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

JIM PETRO
Auditor of State

August 22, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Clark County
Board of County Commissioners
County Auditor
County Treasurer
Clark County Administration Building
50 East Columbia Street, P.O. Box 2639
Springfield, Ohio 45501

Compliance

We have audited the compliance of Clark County, (the County] with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 1999. The County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 1999.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Clark County
Board of County Commissioners
County Auditor
County Treasurer
Report on Compliance With Requirements Applicable to Each Major
Federal Program and Internal Control Over Compliance
In Accordance With OMB Circular A-133
Page 2

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the audit committee, management, Board of County Commissioners, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized loop at the end.

Jim Petro
Auditor of State

August 22, 2000

CLARK COUNTY, OHIO
SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
FOR THE YEAR ENDED DECEMBER 31, 1999

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Medical Assistance Program (Medicaid: Title XIX), 93.667
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

CLARK COUNTY, OHIO
SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number	2000-60312-001
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Ohio Rev. Code §117.38 requires that the public office must file annual reports within 150 days and must publish notice in local newspaper stating the financial report is available for public inspection at the office of the chief fiscal officer, unless the Auditor of State gave a waiver. Also, the report shall contain: 1) receipts and amounts due from each source; 2) expenditures for each purpose; 3) income of any public service industry that the entity owns or operates, as well as the costs of ownership or operation; and 4) public debt of each taxing unit, the purpose of the debt, and how it will be repaid.

The annual report filed for the County did not reflect its operations for the year. Additionally, the report had not been reviewed by County officials prior to being filed. The County subsequently filed a revised report.

The County should develop and implement procedures to file an accurate annual report in a timely manner. The report should also be reviewed by appropriate County officials prior to being filed.

Finding Number	2000-60312-002
-----------------------	----------------

Ohio Rev. Code § 5705.14 through 5705.16 sets forth specific guidelines for the transfers of money from one fund of a subdivision to any other fund. Transfers were not always approved by the County Commissioners and were made from funds not listed as exceptions in these Sections of Code. Certain transfers-in were instead recorded as revenues such as fees, fines, and forfeitures, interest revenue, or other revenue, and certain transfers-out were instead recorded as conservation and recreation expenditures, which resulted in an imbalance in transfers-in and transfers-out and required the County's financial statements to be adjusted.

The County also prepared warrants for making various interfund transfers, however, warrants are not necessary for transfers between County funds. The County should establish routine procedures to ensure that all transfers are done in accordance with the above mentioned sections of code and are properly posted to the ledgers.



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CLARK COUNTY FINANCIAL CONDITION

CLARK COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
SEPTEMBER 5, 2000